

Date: November 6, 2009



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: 2010 Fees & Charges

RECOMMENDATION

THAT the Board approve the 2010 Fees and Charges as detailed in Appendix I.

POLICY

The Board's policies on user fees and charges are summarized as follows:

- User fees and charges will be levied to recover all or a portion of overall operating costs.
- All rates and charges will be adjusted to accommodate the changes in the marketplace and in operating and maintenance costs.
- The General Manager will have the authority to waive or reduce fees and alter fees for services, promotion purposes and to quickly establish fees for experimental services.
- Reduction in fees may be made for families, groups, people with accessibility issues, frequent users, low priority times, promotions and marketing strategies.
- A fee structure will generally be maintained that charges adults, youth, children and seniors in a ratio of 1, 7/10, ½ and 7/10 for recreation services.
- Each rink and indoor pool will schedule at least four hours of low-cost public sessions each week. A Leisure Access Card (LAC) will allow free access to public swimming and skating and a 50% reduction in other basic Park Board services to people meeting the assistance eligibility criteria. Further reductions will be available to LAC holders for Flexipasses, swim lessons and skate lessons only.
- Unless otherwise specified, user classifications are as follows:
 - Pre-school 5 years of age and under
 - Child 6 to 12 years inclusive
 - Youth 13 to 18 years inclusive
 - Adult 19 to 64 years inclusive
 - Seniors 65+
 - Family 1-2 adults of the same household and their children. To encourage more family participation, each person of the family pays the Child rate, subject to a two person minimum.

BACKGROUND

The purpose of the Fees and Charges report is to recommend a new fee schedule for 2010 which complies with the Board's policy and reflects inflationary increases and market rates.

Required Inflation Adjustments

The Park Board is in the process of preparing the 2010 Operating Budget using the normal rules under the Global Budget arrangement with City of Vancouver. Currently, 40% of the gross operating budget is funded from user fees and charges

Under the Global Budget arrangement, the Board is expected to balance the budget and adjust fees and charges to address cost increases due to inflation. Staff have been working with City of Vancouver Finance staff and have estimated the City's inflationary cost increase for 2010 is estimated to be 4%.

Increasing the Board's budgeted revenue to cover the expected 4% in inflation for 2010 will require the Board to generate \$1.6 million more than the 2009 budget.

The Introduction of the Provincial Harmonized Sales Tax

On July 1, 2010 the provincial government will replace the GST with the new provincial Harmonized Sales Tax (HST). Currently Park Board admission fees include the 5% GST. Effective July 1, 2010 Park Board admission fees will be subject to the new HST rate of 12%. To clarify fee changes in 2010 and for the future, starting January 1, 2010 Park Board admission fees will be posted as the price before tax.

DISCUSSION

Public Consultation

Following the Committee meeting on October 13, 2009 staff took a number of steps to consult with the public. Since the proposed changes for 2010 were more complex than the usual changes to Fees and Charges, additional effort was made to ensure the public was informed of the proposed changes and to provide options for collecting feedback.

Informational material was prepared, including reference copies of the proposed fees and charges, background information on the proposed changes, a letter soliciting input and providing contacts for comments and further information, and a survey.

These materials were delivered to all the Park Board's community centres, stand alone rinks and pools, golf courses, the Stanley Park train and farmyard and Burrard Marina. Posters were also delivered to Park Board facilities. Frontline staff were given specific instructions to post the material on bulletin boards, make it available at the cash desks and provide reference copies to interested members of the public.

The material was also posted on the Board's website including in a "feature box" on the Park Board's homepage, on the "Fees and Charges" page, on the "Budgets & Financials" page and the on the "Public Consultation" page.

Advertisements to invite residents to give feedback were posted on local newspapers (Courier, Ming Pao and Indo Canadian Times) on October 23 and 29, 2009.

The public was asked to submit surveys and comments so that their feedback could be incorporated into this report. Additional feedback is still being collected with the intention of incorporating it into the Board's budget approval process.

Feedback from the public

Results up to November 5 have been summarized and are included in this report. Any additional submissions from the public will be consolidated into the current material and the amalgamated results made available to the Board for consideration in the 2010 budget approval process. This survey is self-selecting and therefore not scientifically reliable, but does provide the Board with a snapshot of opinions on the proposed changes.

154 surveys were returned by November 5th – 40 paper submissions and 114 electronic ones. A number of written comments were also received.

The feedback related to increasing fees for inflation was mixed. (44% did not support the change, 22% felt neutral and the remaining 34% did support the change).

However, the majority of respondents (83%) preferred increasing fees rather than reducing service levels (17%) and people were more supportive of an across the board increase (63%) than of increasing fees for specific programs (20%).

Also, people were generally supportive of continuing to subsidize fees, with the greatest support for ability to pay (84 respondents), followed by age (77 respondents), and to encourage specific users, such as families (46 respondents).

Recommendation

In setting the 2010 Fees and Charges, the Board must address two issues: the requirement to increase the revenue budget by 4% for 2010 and the comparative market rates.

Given the feedback collected to date, it is recommended that the 2010 Fees and Charges be increased to cover the expected inflationary increase in cost by adjusting all fees equally. This will allow the Board to adjust fees so that it may work toward meeting its 2010 budget target and will provide sufficient notice to the public about the required inflationary increase in fees for 2010.

In preparing the recommended 2010 Fees and Charges (attached in Appendix I), staff have reviewed comparative market rates, operating costs and impacts to customers.

An across the board increase of 4% for the 2010 fees and charges is being recommended, although several recommendations include adjustments for other factors, and these are explained below. The fees in Appendix I show the two increases for 2010: the inflationary increase of 4% for January 1 and the 7% increase for the introduction of the provincial HST on July 1, 2010. Within the Fees and Charges, fees have been rounded after taking into account the increases to ensure an easier application of fees at facilities.

Train and Farmyard (Page 3 in Appendix I)

The practice has been to increase the Ghost Train and Bright Nights fees in alternate years. In 2008 the Bright Nights fees were increased & in 2008 fees were increased for the Ghost Train & regular train and farmyard. For 2010 fees are proposed to be increased for all events to reduce the deficit at these attractions, comply with the introduction of the HST by the Province and avoid excessive increases at one event.

Golf Courses (Page 6 in Appendix I)

Green fee pricing is flexible, giving our courses the ability to offer special at certain times of the year and times of the day in response to market conditions. The proposed fee strategy for 2010 is based on market comparisons and projected impact of HST. Golf operations propose to adjust fees from 1.8% to 8.4% commencing January 1, 2010 and from 8.5% to 15.7% commencing July 1, 2010. Rates at Fraserview are proposed to increase at a rate lower than inflation because there has been a decline in rounds. Seniors rates at Fraserview and McCleery will be limited to Monday to Thursday only – Langara will continue to offer seniors rates from Monday to Friday. Youth rates will be reduced as a way of encouraging young golfers to use our facilities and ensure a strong future for the golf courses. This pricing strategy reflects the recommendations of the Golf Consultant.

Recreation fees (Pages 8-12 in Appendix I)

All fees are proposed to increase by 4 % with the exception of Loonie and Toonie sessions, which will remain the same, and adult drop-in hockey prices, which will now be the same as regular Adult drop-in skating. Recreation fees will remain competitively priced with the surrounding municipalities. The majority of users purchase flexi passes and Vancouver will remain in the middle when compared to the surrounding municipalities.

Parking (Page 13-14 in Appendix I)

It is operationally difficult to increase pay parking by inflationary factors due to limitations of the equipment used to collect the fees. The practice for Pay Parking is to alternate rate increases at the different Parking locations in order to achieve the required inflationary increase in revenue. To meet the revenue budget increase of 4% the rate increases are proposed at the following locations: Aquatic Centre, Coal Harbour Community Centre, Roundhouse Community Centre, Burrard Marina, QE Park annual passes, Vanier Park, and Jericho Beach. Seniors parking rates at QE and Vanier parks will be phased out in 2011 after consultation with affected users as no other parks have seniors parking rates.

Also a \$20 daily rate is proposed to be put into effect at QE Park during the 12 days of Olympic curling (Feb 16-27 only) to discourage the use of the QE Park parking lots by non-park users. Options to reimburse park users are to be explored.

Outdoor Sports Facilities & Special Event and Filming Permits (Page 15-16 in Appendix I)

A new fee schedule was passed effective September 1, 2009 so no fee increase is proposed at January 1, 2010, with the exception of a 14% increase to the alcohol permit fee effective January 1, 2010.

All Other Fees

With the exception of the changes detailed above, all other Fees and Charges are recommended to reflect the inflationary increase of 4%.

SUMMARY

To maintain a balanced budget and set fees and charges for 2010, the Board must address two issues: the requirement to increase the revenue budget by 4% for 2010 and the comparative market rates.

Feedback received from the public to date indicates mixed support, although there is a clear preference for increased fees over reduced services.

The proposed 2010 Fees and Charges are consistent with the Board's policy to address inflationary increases and market rates in 2010. By approving the proposed rates, the Board can adjust fees, work toward meeting its 2010 budget target and provide sufficient notice to the public about the required inflationary increase in fees for 2010.

Once the 2010 Fees and Charges are approved by the Board, a complete schedule will be posted for the public.

Prepared by:
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